

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF HEARING:**

**APPLICATION OF OGX RESOURCES LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE 13746

PRE-HEARING STATEMENT

OGX Resources LLC submits this pre-hearing statement as required by the New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

**OGX Resources LLC
P. O. Box 2064
Midland, Texas 79702
Attn: Richard Coats
432-685-1738**

ATTORNEY

**Thomas Kellahin, Esq.
P. O. Box 2265
Santa Fe, New Mexico 87504
505-982-4285**

RF *7/13/06*

OPPONENT

none

ATTORNEY

STATEMENT OF THE CASE

APPLICANT:

OGX Resources LLC, in accordance with Section 70-1-17.C, seeks a compulsory pooling order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 11, T24S, R28E, NMPM, Eddy County, New Mexico, forming a standard 320-acre gas spacing and proration unit for production from any and all formation or pools developed on 320-acre spacing including but not limited to the Malaga-Morrow Gas Pool. This unit is to be dedicated its C.N.B. Com Well No. 1 (API# 30-015-21786) an existing gas well located 1780 feet FSL and 660 feet FWL (Unit L) of this section. Also to be considered will be the costs of re-entry and additional drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of OGX Resources LLC as the operator of the well including a 200% risk factor penalty in accordance with Commission Order R-11992, effective August 15, 2003.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EST. EXHIBITS
Mike Gaddy (Landman) (by affidavit or in person)	15-20 min	about 10

PROCEDURAL MATTERS

None

KELDAHIN & KELLAHIN



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